

Message Text

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ORIGIN EA-10

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R 162227Z JAN 75

FM SECSTATE WASHDC

TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

DEPT OF THE TREASURY

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

INFO USSAGE NAKHON PHANOM THAILND

CINCPAC

COGARD WASHDC

BUDAPEST(POUCH)

XMT AMEMBASSY RANGOON

AMEMBASSY SUVA

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COGARD FOR POLAD

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: JANUARY 16 EA PRESS SUMMARY

1. INDOCHINA

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SIEGE OF NEAK LUONG TIGHTENS. INSURGENTS POURED OVER
100 ROUNDS OF HEAVY MORTAR AND CANNON FIRE INTO TOWN
(PHINQ), SANK AMMO BARGE IN RESUPPLY CONVOY (AP NYT,
SUN). TENS OF THOUSANDS OF REFUGEES ARE JAMMED INTO
FEW SQUARE MILES; AMCIT REFUGEE WORKER WHO JUST RETURNED
FROM NEAK LUONG DESCRIBES SITUATION AS WORSE THAN

ANYTHING HE SAW IN VN (WP). GKR CLAIMS FANK KILLED 173 REBELS IN SERIES OF ATTACKS AND COUNTERATTACKS NEAR NEAK LUONG (AP, CHITRIB).

REBEL AA FIRE HIT CIVILIAN PLANE CARRYING GKR REINFORCEMENTS FROM PP TO BATTAMBANG, WOUNDED AMCIT CREW MEMBER AND OTHERS, BUT PLANE LANDED SAFELY, ACCORDING AIRLINE SOURCES (AP NYT, SUN; WP). PLANE WAS HIT 13 MILES NW OF PP; AMCIT ONLY SLIGHTLY HURT, MIL SOURCES SAID (AP, CHITRIB).

GKR ARMY SOURCE REPORTS REBELS RAKED SEVEN-SHIP MEKONG CONVOY WITH MORTAR AND MG FIRE AND FORCED IT RETURN TO SVN WATERS (AP NYT, SUN, CHITRIB; PHINQ; WP). REBEL GUNS NOW DOMINATE OVER 40 MILES OF MEKONG SHIPPING

CHANNEL TO PP; NO SUPPLY CONVOYS FROM SVN HAVE COME UP RIVER FOR 26 DAYS. FOREIGN OBSERVERS THINK GKR MUST TRY TO GET CONVOY THROUGH IF CITY'S SUPPLIES FALL TO CRITICAL LEVEL (AP, CHITRIB). FANK SOURCES SAY US SUPPLY PLANES FROM THAILAND HAVE DOUBLED ARMS RUNS TO PP FROM FIVE TO TEN DAILY IN LAST WEEK BECAUSE OF MEKONG BLOCKADE (AP NYT, SUN; WP).

NYT'S SCHANBERG IN NEAK LUONG DESCRIBES HUNGER, DEATH AND CHILDREN'S WHIMPERING IN BESIEGED TOWN. SHELLS SCREAM IN AND HOSPITAL IS JAMMED AND OUT OF PAIN-KILLING DRUGS. US AND KHMER TRANSPORTS DROP FOOD FOR SOLDIERS - BUT THERE IS NONE FOR CIVILIANS, SO 30,000 OR MORE REFUGEES LIVE ON RICE GRUEL THAT GETS THINNER EVERY DAY. SCHANBERG OPINES THAT THOUGH MIL SITUATION IS GRAVE, IT DOES NOT SEEM TO BE DETERIORATING. GKR REINFORCEMENTS CONTINUE TO COME IN BY CHOPPER AND DOES NOT APPEAR AT THIS POINT THAT INSURGENTS CAN TAKE TOWN. BUT UNTIL FANK PUSHES ENEMY BACK, MISERY WILL GET WORSE. SAYS IF NEAK LUONG UNCLASSIFIED

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FELL, GKR WOULD LOSE ALL HOPE OF GETTING SUPPLIES INTO PP VIA MEKONG. REBELS NOW HOLD SO MUCH OF RIVER THAT CONVOYS ARE POSTPONED INDEFINITELY. ESTIMATES NEAK LUONG'S POPULATION, INCLUDING REFUGEES, AT 250,000. GIVES VIGNETTES ILLUSTRATING MISERY OF INHABITANTS. ACCOMPANIES ARTICLE WITH PHOTOS OF WOUNDED AND DYING.

WP SAYS UN OFFICIALLY RECOGNIZED PRG BY AGREEING TO LIAISON OFFICE AT UN'S GENEVA HQ. OFFICE SHOULD BE OPENED BY WEEK'S END, AND SWISS GOVT HAS GIVEN FINAL AGREEMENT, ACCORDING UN SPOKESMAN. US OFFICIALS REFUSED COMMENT BUT APPARENTLY KNEW IT WAS COMING; IT IS CLEAR THAT SECGEN ACTED WITHOUT US APPROVAL. UN STATEMENT JUSTIFIED OPENING ON GROUND THAT IT WAS "PRACTICAL ARRANGEMENT" INVOLVING HUMANITARIAN ASSISTANCE; UNICEF

AND HCR HAVE ALREADY PROVIDED AID TO PRG, AND UN SPOKESMAN SAID THAT PRG NOW CONSULTING WHO ON FUTURE AID PROJECTS. UN EMPHASIZED DIFFERENCE BETWEEN LIAISON OFFICE, DEALING ONLY WITH AID, AND FULL OBSERVER STATUS THAT WOULD PERMIT PARTICIPATION IN UN MEETINGS. WP ADDS THAT NVN HAS ALSO RECEIVED UN AID BUT APPARENTLY HAS NOT REQUESTED LIAISON STATUS.

MAN

NYT'S TELTSCH AT UN SAYS US APPARENTLY PROTESTED MOVE TO BOTH SECGEN AND SWISS GOVT. NOTES THAT UN SPOKESMAN SAID THAT VC HAD REQUESTED OFFICE LAST OCT, BUT ARRANGEMENTS NOT DISCLOSED UNTIL SWISS GOVT ANNOUNCED IT WAS PROVIDING FACILITIES AT UN REQUEST.

GVN OFFERS AMNESTY TO DRAFT DODGERS AND DESERTERS, VALID UNTIL FEB 15, IN MOVE TO BUILD UP ARMED FORCES (UPI BALTO N-A 1/15, NYT; PHINQ; WP). PRESIDENTIAL PALACE DENOUNCES AS "COMPLETELY UNTRUE" REPORTS THAT THIEU ACCEPTED SEVEN MILLION FROM US TO SIGN C-F (PHINQ).

HANOI ACCUSES US OF REPEATED ENCROACHMENTS ON ITS AIR SPACE AND WATERS, AND OF LEAVING BEHIND OR INTRODUCING "TENS OF THOUSANDS OF MILITARY PERSONNEL IN CIVILIAN GUISE TO COMMAND THE...THIEU CLIQUE" IN CARRYING ON WAR IN SVN (AP, SUN).
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POLISH DELEGATE TO ICCS SAID CROWD ATTACKED COMMISSION MEMBERS AT POST IN LONGKHANH PROVINCE, AND FORCED TEAM TO SIGN PETITION CONDEMNING COMMUNIST MIL ACTIONS. ADDED THAT LOCAL POLICE STOOD BY AND LET CROWD INTO COMMISSION COMPOUND (WP).

SVN FORCES REPORTEDLY SHELL TEN-TRUCK COMMUNIST CONVOY MOVING ALONG HO TRAIL FROM LAOS INTO HIGHLANDS, IN EFFORT TO STEM ARMS FLOW (UPI, NYT). VC GUNNERS FIRED FIVE ROCKETS INTO TAY NINH CITY, KILLING FOUR, ACCORDING GVN COMMAND (AP, SUN; WP). MIL OFFICERS AND CIVILIANS ACCUSE VC OF TRICKING SOME REFUGEES FROM PHUOCLONG INTO THINKING THEY WERE GVN RANGERS, AND SHOOTING 20 WHEN RUSE WAS DISCOVERED. VC SPOKESMAN IN SAIGON SAID HE HAS "NO INFORMATION ON THAT" (WP).

CSM'S HEY NOTES THAT STEPPED-UP FIGHTING AND USG "PRESENT AND EXPECTED" REACTIONS PLACE VN ISSUE BEFORE CONGRESS. AFTER CHECKS WITH KEY CONGRESSIONAL SOURCES, PREDICTS THAT COMMITTEES WILL REEXAMINE AID LEVELS TO GVN AND GKR, AND THAT SFRC NEXT WEEK WILL EXAMINE USE OF US RECON PLANES WITH DEMANDS TO KNOW WHY NEITHER STATE DEPT NOR PRES INFORMED THEM. SAYS SEN CASE IS CHECKING TO SEE WHETHER RECON ACTIVITY

VIOLATES CHURCH-CASE AMENDMENT. NOTES STATE DEPT JUSTIFIED FLIGHTS BY SAYING IN EFFECT THAT US CAN NOW BREACH C-F BECAUSE NVN PREVIOUSLY VIOLATED IT.

2. CHINA

CHOU EN-LAI PRESIDED WEDNESDAY OVER MEMORIAL CEREMONY FOR LI FU-CHUN IN REPORTEDLY FIRST DEPARTURE FROM HOSPITAL SINCE HE ATTENDED GREAT WALL RECEPTION MARKING PRC'S 25TH ANNIVERSARY (REUTER PEKING). SUN'S ISAACS SAYS CHOU'S REAPPEARANCE STRENGTHENED IMPRESSION THAT DESPITE ILLNESS, HE IS STILL STRONG ENOUGH TO RETAIN RELATIVELY ACTIVE ROLE IN LEADERSHIP. CHOU-LED

DELEGATION AT LI'S FUNERAL INCLUDED VIRTUALLY ENTIRE TOP LAYER OF CHINESE HIERARCHY, EXCEPT FOR MAO.
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ISAACS ADDS THAT DESPITE PERSISTENT RUMORS THAT PROVINCIAL LEADERS HAVE BEEN GATHERING IN PEKING FOR PAST WEEK IN ANTICIPATION OF NPC, WESTERN EXPERTS STUDYING LIST OF THOSE ATTENDING FUNERAL IDENTIFIED ALMOST NONE OF THEM AS BEING FROM OUTSIDE PEKING. SAYS IT IS POSSIBLE, HOWEVER, THAT CHINESE MAY HAVE DELIBERATELY CONCEALED PRESENCE OF PROVINCIAL LEADERS TO AVOID PREMATURE DISCLOSURE OF NPC.

LONDON FINANCIAL TIMES REPORTS BRITAIN IS EXPECTED TO SHOW SURPLUS OF SEVERAL MILLION DOLLARS IN 1974 TRADE WITH PRC, SHARP DROP FROM APPROXIMATELY 84 MILLION 1973 SURPLUS (AFP, WP).

CSM'S FRY, IN PEKING, SAYS STEADY PROCESSION OF WESTERN BANK OFFICIALS VISITING PEKING FOR PAST TWO YEARS DID NOT FIND MUCH BUSINESS WAITING FOR THEM. OBSTACLE IS PEKING'S BAN ON FOREIGN LOANS OR CREDITS, BUT WESTERN BANKERS MAY HAVE WORKED OUT COMPROMISE WHEREBY DEPOSITS IN BANK OF CHINA WESTERN BRANCHES CAN BE USED TO FINANCE SOME OF PRC'S CURRENT TRADING NEEDS.

OFFICIAL OF CHINATOWN SAN FRANCISCO BANK DISAPPEARED AFTER ALLEGEDLY EMBEZZLING AT LEAST 500,000 DOLLARS; FBI AGENTS HAVE TRACED HIM TO TAIWAN (UPI WP, NYT).

3. JAPAN

WP NOTES FM MIYAZAWA IS IN MOSCOW FOR TALKS ON LONG-PENDING JAPAN-SOVIET PEACE TREATY, AND SIBERIAN DEVELOPMENT, WHILE LDP LEADER HORI BEGAN WEEK-LONG VISIT TO PEKING, EXPECTED TO INCLUDE TALKS WITH CHOU (NYT). CHINESE WILLINGNESS TO RECEIVE CONSERVATIVE HORI, WHO HAD OPPOSED NORMALIZATION, SEEN AS SIGN OF DESIRE FOR

CLOSER RELATIONS. UPI (TOKYO) SAYS HORI ALSO TO MEET
TENG HSIAO-PING.

NYT'S HALLORAN IN TOKYO VIEWS SEPARATE VISITS TO
PEKING AND MOSCOW IN PURSUIT OF PEACE TREATIES AS
FIRST MAJOR DIPLOMATIC EFFORT BY MIKI GOVT, REPRESENTING
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NEW PHASE IN NEGOTIATIONS STARTED BY TANAKA. SAYS
MIKI TRYING TO MAINTAIN EVEN-HANDED RELATIONS WITH
BOTH TO AVOID RISK OF GETTING TOO CLOSE TO EITHER, AS
HE CONTINUES TANAKA POLICY OF SLOWLY MOVING JAPAN AWAY
FROM US, AND STRENGTHENING POLITICAL, ECONOMIC TIES
WITH MOSCOW AND PEKING.

REUTER TOKYO (NYT) NOTES MARITIME SAFETY AGENCY REPORT
OF COLLISION OF JAPANESE AND LIBERIAN TANKERS IN
SINGAPORE STRAIT TUESDAY NIGHT, HOURS BEFORE GROUNDED
SHOWA-MARU REFLOATED; NO INJURIES, NO OIL LEAK.

JOC *TOKYO) REPORTS TOYOTA SECOND-HALF FIGURES SHOW
28.7 PERCENT INCREASE IN PROFITS OVER PREVIOUS HALF,
24 PERCENT INCREASE IN DOMESTIC SALES, AND 8 PERCENT
DECLINE IN EXPORTS, DUE TO SOFT US MARKET.

MOURAKAMI, IN CSM, WRITES ABOUT FORMER TOKYO CANDY-
STORE OWNER WHO NOW CARVES WOODEN MINIATURES TO SHOW
FOLKWAYS OF "GOOD OLD DAYS" TO NEW GENERATION.

4. KOREA

NYT (SEOUL) SAYS ARMY SECURITY AGENTS PICKED UP THREE
MEMBERS OF TONG-A ILBO ADVERTISING STAFF FOR QUESTIONING
TUESDAY NIGHT, REPORTEDLY IN CONNECTION WITH BLANK
SYMPATHY AD PLACED BY ANONYMOUS ARMY OFFICER. AFTER
REGULAR ADVERTISERS PUT UNDER PRESSURE NOT TO BUY
SPACE, ANTI-GOVT SYMPATHY ADS BEGAN TO APPEAR IN PAPER.
TWO HUNDRED STAFFERS BEGIN SIT-IN TO PROTEST ARRESTS.

5. PHILIPPINES

MIL SOURCES SAY MOSLEM REBELS ARMED WITH MORTARS, GRENADE
LAUNCHERS WIPED OUT 41-MAN ARMY PATROL TUESDAY IN
RENEWED FIGHTING ON JOLO. GOP AND MILITARY SPOKESMEN
DECLINE COMMENT. SPECULATION IS THAT REBELS MIGHT BE
TRYING TO CONSOLIDATE POSITIONS IN MOSLEM REGION BEFORE
FORTHCOMING PEACE TALKS WITH GOVT. MIL SOURCES ALSO
SAY REBELS ATTACKED GOVT RADIO STATION ON MINDANAO
STATE UNIVERSITY CAMPUS, SET FIRE TO SEVERAL BUILDINGS
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(UPI, NYT, PHINQ).

6. INDONESIA

GOI CUTS CRUDE OIL PRODUCTION AND PRICE, 20 CENTS/BBL,
DUE TO REDUCED JAPANESE IMPORTS (WP).

7. AUSTRALIA

WHITLAM, IN MOSCOW, SIGNS FIRST AGREEMENTS FOR CULTURAL
EXCHANGE, SCIENTIFIC COOPERATION BETWEEN AUSTRALIA
AND SOVIETS (WP, JOC).

JOC (LONDON) SAYS AUSTRALIA HALTED TALKS ON 5.2 MILLION

DOL WHEAT SALE TO CHILE, DUE TO AUSTRALIAN MARITIME
UNIONS' BAN ON SHIPMENTS THERE AFTER ALLENDE OVERTHROW.
AUSTRALIAN WHEAT BOARD PLANS TO SEND DELEGATION TO
SANTIAGO LATER THIS MONTH TO TRY KEEP CHILE AS FUTURE
MARKET.

JOC (SYDNEY) REPORTS ON GOA PLANS TO DEVELOP NATURAL
GAS ON NORTHWEST CONTINENTAL SHELF, SOON AS HIGH COURT
CLARIFIES FEDERAL GOVT MINERAL RIGHTS ON SHELF, UNDER
CHALLENGE BY STATE GOVTS; DECISION EXPECTED IN MARCH.

8. NEW ZEALAND

JOC (AUCKLAND) NOTES CONTINUING SLUMP IN WOOL SALES,
AS US, JAPAN BUY LESS. DESPITE SMALL GAINS ELSEWHERE,
13 PERCENT LESS WOOL SOLD SO FAR THIS SEASON, AT LESS
THAN HALF LAST YEAR'S PRICE.

9. THAILAND

CSM'S MACANDREWS, IN BANGKOK, NOTES THAIS FACE FIRST
FREE VOTE IN LONG, CHECKERED HISTORY JAN 26, BUT WHO
WILL SUCCEED INTERIM LEADER SANYA IS NOT CLEAR. "MOST
CERTAINLY" COALITION WILL EMERGE.

SUGGESTS HALF-DOZEN ROYALIST PARTIES, CENTERED ON
KUKURIT'S SOCIAL ACTION PARTY, MAY GAIN MOST SUPPORT
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ON APPEAL OF PLATFORM PROMISING SOCIAL REFORM AND
CONTROL OF GUERRILLA ACTIVITY. BELIEVES MILITARY
PARTIES, MAINLY CHART THAI PARTY, BACKED BY INFLUENTIAL
OFFICERS WERE HURT BY DRAMATIC RETURN BY THANOM, AND
QUICK EXPULSION BY SANYA, WHICH REOPENED BITTER
MEMORIES. DOZEN NEW SOCIALIST PARTIES, WHICH ALL WANT
TO EXPEL US, ARE HAMPERED BY LACK OF MONEY.

MAIN ISSUES ARE CURRENT 18 PERCENT INFLATION, AND INTERNAL SECURITY. TWO OTHER FACTORS SEEM FAVORABLE TO KUKRIT, HEALTHY ECONOMIC GROWTH AND RECOVERY OF AGRICULTURE FROM DISASTROUS 1972 SLUMP. ALSO, COMMUNIST GUERRILLAS MIGHT BE UNDERMINED BY REOPENING OF DIPLOMATIC RELATIONS WITH CHINA, AND GRADUAL INCREASE IN THAI-CHINA TRADE.

AFTER LONG PERIOD OF MILITARY RULE, AND INDECISIVE TRANSITION UNDER SANYA, MACANDREWS CONCLUDES IT DIFFICULT TO PREDICT EXACTLY HOW THAIS WILL VOTE. BUT IF SIGNS ARE RIGHT, AND KUKRIT WINS MAJORITY, THAILAND COULD BE HEADED FOR PERIOD OF STABILITY AND GROWTH.

COMMENT AND ANALYSIS

10. INDOCHINA

S-N'S BRADSHER, IN HK, EXAMINES COMMUNIST EFFORTS TO MAKE PRG LOOK LIKE GENUINE GOVT IN SVN, NOTING VC NEWS AGENCY CLAIMS THAT PRG PROVIDES EDUCATION AND MEDICAL SERVICES THROUGHOUT "LIBERATED ZONE" AND IS RECOGNIZED BY 42 GOVTS. AGREES SOME CLAIMS SUPPORTED BY OUTSIDE EVIDENCE, BUT SUSPICION REMAINS THAT PRG EXISTS "MERELY AS POLITICAL FRONT" FOR NVA CAMPAIGN TO TAKE OVER SVN. POINTS OUT THAT HANOI URGES OTHERS TO RECOGNIZE PRG AS LEGITIMATE GOVT EQUAL TO - OR IN PLACE OF - SAIGON, BUT DRV TREATS IT AS REGIONAL ORGANIZATION IN DIVIDED NATION.

DESCRIBES PRG AS OUTGROWTH OF NLF, WHICH SPEAKS IN NAME OF BOTH, URGING INDIVIDUALS AND GROUPS IN GVN TO DEFECT AND HELP END WAR.

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FOUR MORE THIRD-WORLD COUNTRIES RECOGNIZE PRG IN 1974, BUT UK RESISTED PRESSURE TO DO SO, PROMPTING HANOI TO RETALIATE BY REFUSING TO ACCEPT CREDENTIALS OF BRITISH AMB.

EVEN THOUGH PRG DELEGATES SIGN AGREEMENTS IN MOSCOW, AND PEKING, BRADSHER FINDS CLEAR SIGNS OF ITS "CURIOUS NATURE" IN HANOI'S FAILURE TO ESTABLISH DIPLOMATIC RELATIONS WITH PRG. WHEN PRG REP ATTENDS OFFICIAL FUNCTIONS IN HANOI, HE DOES NOT JOIN DIPLOMATS, BUT TAKES HIS PLACE WITH NORTH VIETNAMESE, "RANKING JUST AFTER COMMUNIST PARTY AND GOVERNMENT LEADERS" (1/15).

NYT'S ANTHONY LEWIS SAYS FACT THAT USG REMAINS CONCERNED WITH VN WHILE PROBLEMS OF ECONOMY, OIL, ENERGY, FOOD, ME WAR THREAT AND DETERIORATING RELATIONS WITH SOVIET ENGULF US, SHOWS HOW "MAD AN OBSESSION" VN IS. ADMIN

IS GOING TO ASK CONGRESS FOR MASSIVE EMERGENCY INCREASE
IN MIL AID TO SVN; IT KNOWS THIS FACES GREAT RESISTANCE,
"BASED ON LOGIC AND EXPERIENCE, SO IT RAISES THE CRIES
OF ALARM TO A NEW PITCH OF SHRILLNESS."

LEWIS ARGUES THAT ADMIN WARNING OF DOOM IF SVN NOT
AIDED IN 1975 "REMAINS AS FAULTY AS IN 1955 OR 1965,
AND THE RESULT OF ACCEPTING IT CAN ONLY BE MORE
TRAGEDY." OBSERVES THAT "JUSTIFICATION" FOR US
"INTERVENTION" IS THAT COMMUNISTS HAVE UPSET PEACE
AGREEMENT. "BUT THE EVIDENCE IS RATHER THE OTHER WAY"
ON INITIAL RESPONSIBILITY FOR TRUCE'S BREAKDOWN.
CITES MAYNARD PARKER IN FOREIGN AFFAIRS THAT THIEU
BEGAN EFFORT TO UPSET TRUCE ALMOST FROM MOMENT AGREEMENT
WAS SIGNED, HITTING COMMUNIST BASES AND BLOCKING

IMPLEMENTATION OF C-F POLITICAL PROVISIONS. BUT
BEYOND THIS, FUNDAMENTAL FALLACY IS NOTION THAT
MORE US INTERVENTION CAN BRING PEACE.

TO LEWIS, MOST IMPORTANT SOURCE OF OFFICIAL OBSESSION
OVER VN IS HAK -- WHO DOES NOT WANT TO "LOSE," AND
"WANTS TO KEEP THIEU IN SAIGON AS LONG AS HE IS IN
WASHINGTON." MORE THAN ANY PAST SECSTATE, HAK "HAS
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MANEUVERED AND TRICKED AND DISTORTED THE LAW TO GET
AROUND WHAT HE KNEW WAS THE WILL OF CONGRESS AND THE
NATION...NO ONE SHOULD UNDERESTIMATE (HAK'S) SALES-
MANSHIP NOW."

WP'S ZORZA SAYS COINCIDENCE OF SOVIET'S CANCELLATION
OF AGREEMENT ON TRADE AND JEWISH EMIGRATION, FIRST
DEPLOYMENT OF SOVIET MULTIPLE WARHEADS AND SIGNS
THAT "WHOLE VN PEACE AGREEMENT MAY BE COMING UNSTUCK,
SERVES TO POINT UP THE POTENTIAL FRAGILITY" OF COMPLEX
STRUCTURE OF LINKAGES. FINDS IT CERTAINLY COINCIDENCE,
IN SENSE THAT BOTH THE DEPLOYMENT AND INTENSIFICATION
OF VN FIGHTING HAVE OBVIOUSLY BEEN PLANNED FOR SOME
TIME AND WOULD HAVE OCCURRED AT THIS TIME ANYWAY.
NEVERTHELESS, 1972 TRADE AGREEMENT WAS ORIGINALLY
HELD OUT BY HAK AS INCENTIVE TO KREMLIN TO HELP GET
VN PEACE, AND THIS IN TURN CREATED POLITICAL ATMOSPHERE
BETWEEN US AND SOVIET THAT MADE PROGRESS POSSIBLE
BOTH ON SALT AND EMIGRATION QUESTION.

FEELS DOS ASSERTION THAT US IS FREE TO CONDUCT RECON
OVER NVN -- BECAUSE, HANOI HAVING BREACHED PEACE
AGREEMENT US IS NO LONGER BOUND BY IT -- COULD BE
BEGINNING OF ANOTHER UNRAVELLING. IF ADMIN MANAGES
TO GET CONGRESSIONAL AUTHORIZATION FOR GREATER ARMS
AID TO SAIGON, KREMLIN WOULD FOLLOW SUIT, AND EXTENT

OF FIGHTING COULD GROW FAR BEYOND ITS PRESENT, ALREADY INCREASED, INTENSITY.

HEMPSTONE (S-N 1/15) SAYS REAL CONQUEROR OF PHUOC BINH WAS NOT NVN, BUT SEN PROXMIRE WHO LED SUCCESSFUL FIGHT TO CUT ADMIN MIL AID REQUEST FOR SVN FROM 1.45 BILLION DOL REQUEST TO 700 MILLION APPROPRIATION. BELIEVES PHUOC BINH'S FATE WAS SEALED MONTHS AGO WHEN "PROXMIRE'S PARSIMONY" CREATED FUEL SHORTAGE THAT GROUNDED PART OF VNAF AND DEPRIVED TROOPS OF AMMO NEEDED. SEES CHANGE IN HANOI TACTICS WITH CAPTURE OF PROVINCE CAPITAL. FROM NIBBLING AT SMALL OUTPOSTS, NOW AIM SEEMS TO BE TO SOLIDIFY CONTROL, LAY POLITICAL GROUNDWORK FOR ATTACK ON DELTA, AND UNDERMINE MORALE OF ARMY AND CIVILIANS IN URBAN AREAS. STATES PRES WILL GO TO CONGRESS FOR UNCLASSIFIED

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SUPPLEMENTAL FOR SVN AND CAMBODIA, AND THAT CRUNCH COULD NOT HAVE COME AT WORSE TIME. HAK AND CONGRESS ARE IN CONFLICT ON MANY ISSUES AND WITH ECONOMY IN DESPERATE STRAITS, CONGRESS IS LIKELY TO PROVE LESS RECEPTIVE TO GIVING MORE AID TO INDOCHINA THAN LAST WAS. HEMPSTONE STATES THAT GVN SIGNED C-F IN EXCHANGE FOR US COMMITMENT TO PROVIDE GVN WITH MEANS TO RESIST NVN AGGRESSION, US WORD IS ALSO AT STAKE; AND THIEU REGIME, WHILE NOT DEMOCRATIC IN WESTERN SENSE, IS INFINITELY MORE SO THAN HANOI. NOTES THAT IN REAL WORLD - WE SELDOM HAVE TO CHOOSE BETWEEN EVIL AND PERFECTION; CHOICE IS BETWEEN TWO SHADES OF GREY.

HARSCH (CSM) SEES GREATEST DANGER TO SVN AS NOT ON BATTLEFIELD, BUT FROM "BOX" INTO WHICH CONGRESS HAS PUT US DIPLOMACY ON MATTER. ADMIN AID REQUESTS ARE CUT WHILE SOVIETS AND CHINESE CONTINUE MIL AID TO NVN AT LEVEL THAT GIVES ADVANTAGES IN WEAPONS. SEES AS WORSE THAN THIS IMMEDIATE DISADVANTAGE, FACT THAT ARBITRARY LOW LIMIT FIXED BY CONGRESS DEPRIVES HAK OF BARGAINING POWER TO INDUCE SOVIETS AND CHINESE TO LIMIT THEIR ARMS AID. BELIEVES LIMIT FIXED BY CONGRESS WILL ULTIMATELY DOOM GVN SINCE PEKING AND MOSCOW ONLY HAVE TO PROVIDE JUST LITTLE MORE THAN WE DO AND NVN SOONER OR LATER WINS. SAYS IT IS HIGH TIME FOR AMERICANS TO CONSIDER WHETHER THEY ARE WILLING TO LET THIS HAPPEN. POINTS OUT LACK OF CONTRACTUAL OBLIGATION, BUT EVOLUTION OF MORAL COMMITMENT OVER YEARS TO THOSE WHO DECIDED TO FIGHT IN EXPECTATION OF US SUPPORT. HARSCH ADDS THAT HE ALWAYS BELIEVED WE MADE MISTAKE AFTER WW II WHEN WE REJECTED HO'S REQUEST FOR AID AND INSTEAD BACKED FRENCH, POINTS OUT THAT WE CAN'T GO BACK AND PLAY IT THE OTHER WAY. STATES THAT WITHOUT DISCRETIONARY ARMS BUDGET, HAK'S HANDS ARE TIED AND HE CANNOT PROPOSE MUTUAL LIMIT TO PEKING AND MOSCOW.

CONCLUDES THAT IF CONGRESS GAVE HAK ROOM FOR MANEUVER
IN MATTER IT WOULD BE HONORABLE COURSE OF ACTION, AND
MIGHT ALSO BE THE CHEAPEST.

11. CHINA
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H
CHAIRMAN OF "FORMOSAN CHRISTIANS FOR SELF-DETERMINATION"
IN LETTER TO NYT, LISTS SOME EXAMPLES OF WISHES OF
TAIWANESE AT HOME AND ABROAD ON SELF-DETERMINATION:
PRESBYTERIAN CHURCH IN TAIWAN HAS ISSUED PUBLIC
DECLARATION THAT TAIWANESE OPPOSE BEING GOVERNED BY
PEKING AND UNILATERAL DECISIONS BY SUPERPOWERS, AND
INSIST ON POLITICAL REFORM FROM RULING ROC REGIME;
RECENT POLL AMONG TAIWANESE IN NORTH AMERICA INDICATED
85.9 PERCENT FAVOR INDEPENDENT TAIWAN UNRELATED TO EITHER
ROC OR PRC; CONFERENCE ON "SALVATION TODAY FOR THE
PEOPLE OF FORMOSA" AND FORMOSAN SUMMER CONFERENCE AT
SPECULATOR, NY, LAST JULY BOTH ISSUED STATEMENTS RE-
ASSERTING RIGHT OF TAIWANESE SELF-DETERMINATION.
KISSINGER

NOTE BY OCT: POUCHED

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Errors: n/a
Film Number: D750018-0747
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750189/baaaagni.tel
Line Count: 515
Locator: TEXT ON-LINE, TEXT ON MICROFILM
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Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: PFOR, XC, US
To: ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
DEPT OF THE TREASURY
BIEN HOA
CAN THO
DANANG
HONG KONG

NHA TRANG
JEC PARIS INFO USSAGE NAKHON PHANOM THAILND
CINCPAC
COGARD
BUDAPEST(POUCH)
XMT RANGOON
SUVA

Type: TE

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006